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**OFFICE OF
INSURANCE COMMISSIONER**

In the Matter of

NATIONAL STATES
INSURANCE COMPANY.

An Authorized Insurer

Order No. D06-~~4~~223

REVISED
CONSENT ORDER
IMPOSING A FINE

MO
8.23.06

Findings of Fact:

1. National States Insurance Company ("National States") is authorized to conduct insurance business in Washington State. It issues property, casualty, and surety insurance.
2. Revised Code of Washington § 48.05.250 requires every insurer to file an annual statement for the previous calendar year with the Office of the Insurance Commissioner ("OIC") by February 28 of the following year.
3. Washington Administrative Code § 284-07-060 requires that, as part of the annual statement, a Statement of Actuarial Opinion ("SAO") be submitted by February 28 of the following year, as well.
4. National States violated Revised Code of Washington § 48.05.250 by failing to file its year 2004 Statement of Actuarial Opinion, a required component of its Annual Statement, by the statutory due date of February 28, 2005. In late April 2005, the OIC sent a notice to National States, reminding it of this filing requirement. To date, no response has been received by the OIC.

Conclusions of Law:

1. National States' failure to timely file its calendar year 2004 Statement of Actuarial Opinion constitutes a violation of RCW 48.05.250(1) and WAC 284-07-060(2).
2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

Consent to Order:

National States consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. Within thirty days of the entry of this Order, National States will pay to the Insurance Commissioner a fine in the amount of \$1,000 (one thousand dollars).

3. Failure to pay the fine in full within thirty days of the entry of this order will constitute grounds for revocation of the certificate of authority held by National States in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 14th day of August, 2006.

NATIONAL STATES INSURANCE COMPANY

By: 

Printed Name: Patricia I. Curran

Printed Corporate Title: CFO

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

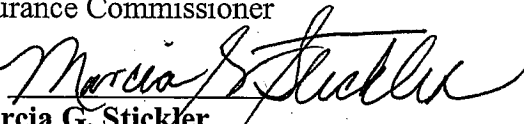
Order:

1. National States Insurance Company is ordered to pay, within thirty days of the entry of this order, a fine in the amount of \$1,000 (one thousand dollars).

2. Failure to pay the fine timely and in full will constitute grounds for revocation of the certificate of authority held by the insurer in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 23^d day of August, 2006

MIKE KREIDLER
Insurance Commissioner

By: 
Marcia G. Stickler
Legal Affairs Division